

# ELLIS:LAWHORNE

John J. Pringle, Jr.  
Direct dial: 803/343-1270  
[jpringle@ellislawhorne.com](mailto:jpringle@ellislawhorne.com)

February 5, 2007

## **FILED ELECTRONICALLY AND HAND-DELIVERY**

The Honorable Charles L.A. Terreni  
Chief Clerk  
**South Carolina Public Service Commission**  
Post Office Drawer 11649  
Columbia, South Carolina 29211

RE: Joint Application of TelCove Operations, LLC and  
TelCove of South Carolina, Inc. for Grant of Authority to  
Complete a *Pro Forma* Reorganization and Assignment of Assets  
and Customers  
**Docket No. 2007-\_\_-C, Our ELS No. 1272-11408**

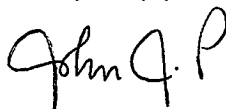
Dear Mr. Terreni:

Enclosed is the original and one (1) copy of the **Joint Application** filed by  
TelCove Operations, LLC and TelCove of South Carolina, Inc. in the above-referenced matter.

Please acknowledge your receipt of this document by file-stamping the copy of  
this letter enclosed, and returning it via the person delivering same.

If you have any questions or need additional information, please do not hesitate to  
contact me.

Very truly yours,



John J. Pringle, Jr.

JJP/cr

cc: Office of Regulatory Staff Legal Department [via hand-delivery and U.S. mail service]  
Edward S. Quill, Jr., Esquire [via electronic mail service]  
Michael Donahue, Esquire [via electronic mail service]

Enclosures

**THIS DOCUMENT IS AN EXACT DUPLICATE OF THE E-FILED COPY SUBMITTED TO  
THE COMMISSION IN ACCORDANCE WITH ITS ELECTRONIC FILING INSTRUCTIONS.**

**BEFORE THE  
SOUTH CAROLINA PUBLIC SERVICE COMMISSION**

\_\_\_\_\_  
Joint Application of )

TelCove Operations, LLC )

and )

TelCove of South Carolina, Inc. )

For Grant of the Authority to Complete a )  
*Pro Forma* Reorganization and Assignment of )  
Assets and Customers )  
\_\_\_\_\_ )

Docket No. \_\_\_\_\_

**JOINT APPLICATION**

**I. Introduction**

TelCove Operations, LLC ("TelCove-Operations") and TelCove of South Carolina, Inc. ("TelCove-SC," together with TelCove-Operations "Applicants"), through their undersigned counsel and pursuant to South Carolina Code §§ 58-9-280, 58-9-310, and the rules and regulations of the South Carolina Public Service Commission ("Commission"), hereby seek approval to complete a proposed *pro forma* reorganization as described below. The proposed reorganization will not involve any change in the ultimate ownership of Applicants or cause any change in the rates, terms or conditions under which service is provided in South Carolina. Applicants emphasize that the proposed reorganization will be seamless to customers in terms of the services that those customers receive.

In connection with the proposed reorganization, all of TelCove-SC's South Carolina operations, including TelCove-SC's assets, authorizations and customers in South Carolina, will be transferred, on a *pro forma* basis, to TelCove-Operations, such that after the completion of the

proposed reorganization, TelCove-Operations will become the TelCove entity authorized to provide service in South Carolina. The proposed reorganization will not affect the services that TelCove-SC's customers receive, and immediately following the transaction existing customers will continue to receive service under the TelCove brand name. TelCove-Operations will have access to the same technical, managerial and financial resources that TelCove-SC has in connection with the services that it provides in South Carolina. Therefore, the proposed reorganization will not have any adverse impact on South Carolina customers. Applicants respectfully request that the Commission grant any required authority needed to complete the proposed reorganization as soon as possible.

In support of this Application, Applicants further state as follows:

## **II. Description of Applicants**

TelCove-Operations is a Delaware limited liability company which is ultimately and indirectly owned by Level 3 Communications, Inc.<sup>1</sup> The principal place of business of TelCove-Operations is located at 121 Champion Way, Canonsburg, Pennsylvania 15317. TelCove-Operations holds authority to provide regulated services in seventeen states, not including South Carolina, and through its corporate parent Eldorado Acquisition Three, LLC, TelCove-Operations is authorized by the Federal Communications Commission to provide interstate and international services.

TelCove-SC is a wholly owned, direct subsidiary of TelCove-Operations. TelCove-SC is a Delaware corporation that shares its principal place of business with TelCove-Operations. TelCove-SC is authorized to provide regulated interexchange and local service in South Carolina

---

<sup>1</sup> In connection with the proposed reorganization, TelCove-Operations is being converted from a corporation to a limited liability company.

by virtue of authority originally issued by the Commission in Docket No. 1998-510-C by Order Nos. 1999-67 and 1999-828, respectively.<sup>2</sup>

**III. Contact Information**

Questions or inquiries concerning this Application may be directed to:

John J. Pringle, Jr.  
Ellis, Lawhorne & Sims, P.A.  
P.O. Box 2285  
Columbia, SC 29202-2285  
Telephone: (803) 343-1270  
Facsimile: (803) 799-8479  
Email: [jpringle@ellislawhorne.com](mailto:jpringle@ellislawhorne.com)

With copies to:

Edward S. Quill, Jr.  
Brian McDermott  
Williams Mullen  
8270 Greensboro Drive, Suite 700  
McLean, VA 22102  
Telephone: (703) 760-5200  
Facsimile: (703) 748-0244  
Email: [EQuill@williamsmullen.com](mailto:EQuill@williamsmullen.com)  
[BMcDermott@williamsmullen.com](mailto:BMcDermott@williamsmullen.com)

And:

Michael Donahue  
Corporate Counsel  
Level 3 Communications  
2300 Corporate Park Drive, Suite 600  
Herndon, VA 20171  
Telephone: (703) 234-8891  
Facsimile: (703) 234-8830  
Email: [Michael.Donahue@Level3.com](mailto:Michael.Donahue@Level3.com)

---

<sup>2</sup> In Order No. 1999-828, the Commission granted Adelphia Business Solutions of South Carolina, Inc. authority to provide interexchange and local services. Subsequently, in Order No. 2004-363, issued in Docket No. 1998-510-C, the Commission granted Adelphia Business Solutions of South Carolina, Inc. authority to change its name to TelCove of South Carolina, Inc.

#### IV. Description of the *Pro Forma* Reorganization

In order to streamline and better organize the business and operations of the TelCove companies, Applicants propose to complete a series of *pro forma* transactions whereby most of TelCove's operations, including all of its operations within South Carolina, will be consolidated within a single operating entity, TelCove-Operations. Specifically, Applicants propose to complete a series of intra-corporate transactions through which TelCove-SC operations in South Carolina, including all its South Carolina assets, authorizations, and customers will be transferred to TelCove-Operations, which will become the sole TelCove operating company in South Carolina. Illustrative charts showing the structure of TelCove's South Carolina operations before and after the proposed transactions are provided in **Exhibit A**.

Applicants emphasize that the proposed transactions will be seamless to TelCove customers in South Carolina. The proposed transactions are entirely intra-corporate in nature, will not involve any change in ultimate ownership or control of any of the TelCove operating companies, and will not affect any of the rates, terms, or conditions under which TelCove-SC's customers receive service in South Carolina. Immediately following the transaction, existing customers will continue to receive service under the TelCove brand name and the proposed transactions will not involve any discontinuations of service or customer terminations.<sup>3</sup>

The proposed transactions will not adversely affect the ability of the TelCove entities to provide service in South Carolina.<sup>4</sup> Because the proposed transactions are entirely intra-

---

<sup>3</sup> Although the proposed transactions will be seamless to customers in terms of the services those customers receive, Applicants have nonetheless provided advance notice to customers affected by the proposed transactions. The form of the notice is provided in **Exhibit B**.

<sup>4</sup> As a technical matter, Applicants recognize that the proposed transactions will result in a *pro forma* change in the TelCove legal entity authorized to provide service in South Carolina. In the event that the Commission

corporate in nature, TelCove-SC's customers and operations will continue to be managed and conducted by the same technical, operational and managerial personnel that are currently in place, and that currently oversee TelCove-SC's operations. Following the proposed transactions, TelCove-Operations will continue to have access to the managerial and technical resources and personnel that the Commission has already considered and determined to be qualified to operate in the State of South Carolina.

Furthermore, given that the proposed transactions are intra-corporate in nature, TelCove-Operations will continue to have access to substantial financial resources. The proposed transactions will not involve any change in the ultimate ownership or control of the TelCove entities.

#### **V. Public Interest Statement**

The proposed reorganization is consistent with the public interest in that it will be seamless with respect to the services TelCove-SC's South Carolina customers receive, while enabling the TelCove operating entities to streamline their respective operations. As noted above, the proposed transactions are entirely intra-corporate in nature, will not result in any discontinuance of service, and will not affect any of the services provided to existing TelCove customers. TelCove-SC's South Carolina customers will continue to receive service under the TelCove operating name. Furthermore, the existing management team of TelCove-Operations,

---

determines that TelCove-SC's South Carolina certification cannot be transferred to TelCove-Operations, Applicants respectfully request that the Commission permit TelCove-SC to relinquish its South Carolina certification and that the Commission reissue identical authority to TelCove-Operations, effective upon consummation of the proposed transactions. Applicant also requests flexible regulation for its local exchange telecommunications services as the Commission granted in Order No. 98-165 in Docket No. 97-467-C, and alternative regulation for its interexchange services first granted in Docket No. 95-661-C, and as modified in Docket No. 2000-407-C. In support of that request, certification Application information for TelCove-Operations is provided in **Exhibit C**. Tariffs for TelCove-Operations, which are identical to the tariffs TelCove-SC currently operates under, are provided in **Exhibit D**.

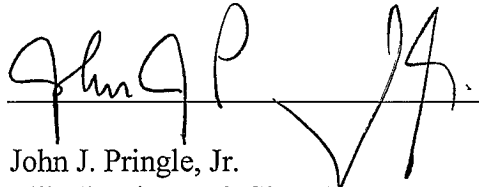
which already oversees the operations of TelCove-SC, will remain in place and TelCove-Operations will continue to have access to the same financial qualifications that it enjoyed prior to the reorganization. As a result, TelCove customers in South Carolina will not be adversely affected by the proposed transactions.

At the same time, Applicants expect that the proposed transactions will allow the TelCove entities, including TelCove-Operations, to streamline and rationalize their operations in a manner which will provide organizational and intracorporate operational benefits. Currently, TelCove's operations are divided among more than twenty separate subsidiaries. By consolidating its operations within a more limited number of operating entities, Applicants believe that the TelCove companies can more efficiently provide service and compete more effectively.

**VI. Conclusion**

For the reasons stated above, Applicants respectfully submit that the public interest would be furthered by approval of this Application. Accordingly, Applicants respectfully request that the Commission review and act on this Application expeditiously so that Applicants may complete the proposed transactions as soon as possible.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John J. Pringle, Jr.", written over a horizontal line.

John J. Pringle, Jr.  
Ellis, Lawhorne & Sims, P.A.  
P.O. Box 2285  
Columbia, SC 29202-2285  
Telephone: (803) 343-1270  
Facsimile: (803) 799-8479  
Email: [jpringle@ellislawhorne.com](mailto:jpringle@ellislawhorne.com)

Edward S. Quill, Jr.  
Brian McDermott  
WILLIAMS MULLEN  
8270 Greensboro Drive, Suite 700  
McLean, VA 22102  
Telephone: (703) 760-5200  
Facsimile: (703) 748-0244  
Email: [EQuill@williamsmullen.com](mailto:EQuill@williamsmullen.com)  
Email: [BMcDermott@williamsmullen.com](mailto:BMcDermott@williamsmullen.com)

Counsel for Applicants

Dated: February 5, 2007



## LIST OF EXHIBITS

- Exhibit A                      Pre- and Post-Transaction Illustrative Chart
- Exhibit B                      Customer Notice
- Exhibit C                      Certification Information for TelCove-Operations
- Attachment 1: Articles of Incorporation
- Attachment 2: Certificate of Good Standing
- Attachment 3: Management Biographies
- Attachment 4: Financial Information
- Exhibit D                      Tariffs
- Attachment 1: Local Exchange Tariff
- Attachment 2: Dedicated Services Tariff
- Attachment 3: Toll Services Tariff
- Attachment 4: Switched Access Tariff
- Exhibit E                      Proposed Notice of Filing
- Verification